BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF C

Application of Southern California Edison
Company (U 338-E) for Authorization to Recover
Costs Incurred in 2005 and Recorded in the
Rainstorm Catastrophic Event Memorandum
Account.

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Rainstorm Catastrophic Event Memorandum
Account.

APPLICATION

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Dated: June 26, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison)	
Company (U 338-E) for Authorization to Recover)	A.06-06
Costs Incurred in 2005 and Recorded in the)	
Rainstorm Catastrophic Event Memorandum)	
Account.)	

APPLICATION

I.

INTRODUCTION

Pursuant to Rule 23, *et al.* of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) hereby submits this Application requesting the Commission to:

- (1) find reasonable the \$10.939 million of incremental operations and maintenance (O&M) expenses recorded in SCE's Rainstorm Catastrophic Events Memorandum Account (CEMA) O&M Cost Subaccount for the period January 1, 2005 through December 31, 2005;
- (2) authorize the transfer of the December 31, 2005 balance in the Rainstorm CEMA O&M Cost Subaccount, plus accrued interest through the date of a final Commission decision in this proceeding, to the Distribution Subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery in distribution rates;
- (3) find reasonable the \$14.690 million of capital expenditures (which amount to \$11.730 million of capital additions) used as the basis for the revenue requirement recorded in SCE's Rainstorm CEMA Capital Cost Subaccount;
- (4) authorize SCE to continue to record the monthly capital-related revenue requirement in the Rainstorm CEMA Capital Cost Subaccount based on the rainstorm capital additions found reasonable in this proceeding until the date of a final Commission decision in SCE's 2009 General Rate Case (GRC) Phase 1 proceeding; and

(5) authorize the transfer of the recorded balance in the Rainstorm CEMA Capital Cost Subaccount, including interest, to the Distribution Subaccount of the BRRBA for recovery in distribution rates, upon a final 2009 GRC Phase 1 Commission decision.

The testimony that accompanies this application: (1) describes the rainstorms and the extensive damage to SCE's infrastructure caused by these storms; (2) details the actions SCE took to respond to these storms and restore service to its affected customers; (3) documents the incremental costs SCE incurred in restoring service and rebuilding its infrastructure; and (4) requests authority from the Commission to recover in rates the incremental rainstorm-related costs recorded in the Rainstorm CEMA.

Π.

BACKGROUND

A. Background

Beginning on December 27, 2004, Southern California experienced a series of severe rainstorms that affected much of SCE's service territory. During the 15-day period from December 27, 2004 through January 10, 2005, 16.97 inches of rain was recorded in downtown Los Angeles, the wettest 15-day period in recorded history. The most powerful of the storms occurred between January 7, 2005 and January 11, 2005, bringing an average of 4-8 inches to coastal and valley areas of Southern California and 10-20 inches to mountain areas, and resulted in widespread flooding throughout Southern California. In addition, numerous landslides resulted from this storm, one of which led to ten deaths in the Ventura County community of La Conchita on January 10, 2005.

The storms caused significant damage to SCE's infrastructure, which led the company to declare two Category 2 storm events, the first covering the period from December 28, 2004 to January 7, 2005 (Storm ID 8751), and the second covering the period from January 7, 2005 to January 13, 2005 (Storm ID 8752). 1

A Category 2 storm event is declared when multiple districts within SCE's service territory are impacted and requirements for additional support need to be coordinated at a global level to ensure efficiency.

The rains returned on February 17, 2005 and continued through February 24, 2005. These storms dropped 8.71 inches of rain on downtown Los Angeles, an average of 5-10 inches across coastal and valley areas of Southern California, and an average of 10-20 inches in the mountain areas. The storms also caused widespread flooding, which led to numerous mudslides and landslides that caused significant property damage across the region. SCE declared a third Category 2 storm event on February 19, 2005 (Storm ID 8755). This storm event lasted until February 24, 2005.

The unprecedented magnitude of the rainstorms led Governor Arnold Schwarzenegger and President George W. Bush to issue a series of disaster proclamations for various counties within Southern California.

On March 4, 2005, SCE notified the Commission's Executive Director by letter that it had activated its CEMA, effective December 27, 2004, to "record our costs to restore service to our customers and repair damage to our facilities resulting from the record setting rainstorms that have hit Southern California over the last two and a half months."

The rainstorms caused major damage to SCE's infrastructure. During the three Category 2 storm events, electric service to approximately 1.1 million customers was affected. SCE's service territory experienced 337 area outs and 588 momentary interruptions caused by the rainstorms. Distribution lines were downed in over 338 locations. To repair the damage caused by the rainstorms, SCE replaced 430 poles, 1,526 services, 753 transformers, 236 lightning arrestors, 25 switches, 246,335 feet of overhead wire, and 72,055 feet of underground cable, in addition to a wide array of component parts.

III.

SUMMARY OF SCE'S REQUESTS

Table III-1, below, summarizes by major category the costs for which SCE is seeking recovery in this Application.

Table III-1 Southern California Edison Company Operation of the Rainstorm CEMA (\$000) Recorded 2005 and Forecast 2006-2008			
<u>Line</u> 1 2 3 4 5	O&M Cost Subaccount O&M Incremental Costs - SCE Labor - Contractor Labor - Equipment & Transportation - Materials, Supplies & Tool Expenses	Total 4,871 4,503 887 479	
6 7	- Other Expenses Total O&M Costs	200 10,939	
8 9 10 11	Capital Cost Subaccount Capital Costs: -Depreciation -Taxes -Return Total Capital Costs	2,128 1,550 3,464 7,142	
13	Total Incremental Costs	18,082	

If the Commission were to allocate the increase in annual revenues shown in Table III-1, above, to SCE's customer groups on a System Average Percentage Change basis, the impact on each customer group would be as shown in Table III-2, below. However, the increases shown in Table III-2 are illustrative only. In order to reduce the number of rate changes, the Commission has established the annual Energy Resource Recovery Account (ERRA) Forecast proceeding as the proper place to consolidate all Commission-authorized revenue requirement changes into one rate level change. Therefore, SCE proposes (1) to include the balance recorded in the Rainstorm CEMA O&M Cost Subaccount and found reasonable in this proceeding in SCE's first consolidated ERRA rate change implemented subsequent to the issuance of a final Commission decision in this proceeding; and (2) to include the balance recorded in the Rainstorm CEMA Capital Cost Subaccount and found reasonable

in this proceeding in SCE's first consolidated ERRA rate change implemented subsequent to receiving a 2009 GRC Phase 1 decision.

Table III-2 CUSTOMER GROUP REVENUE IMPACT Catastrophic Event Memorandum Account (CEMA) Rainstorms				
Revenue Change Customer Group (\$Millions) % Change				
Residential Lighting - Small and Medium Power	8.364 6.208	0.20%		
Large Power Agricultural and Pumping Street and Area Lighting	2.966 0.514 0.030	0.12% 0.16% 0.03%		
TOTAL	\$18.082	0.16%		

IV.

STATUTORY AND REGULATORY REQUIREMENTS

A. Statutory Authority

This Application is being made pursuant to Sections 451, 701, 729, *et al.* of the Public Utilities Code of the State of California, Resolution E-3238, the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission.

B. <u>Proposed Categorization, Need For Hearings, Issues To Be Considered, Proposed</u> <u>Schedule – Rule 6</u>

Commission Rule 6 requires that "any person that files an application after January 1, 1998, shall state in the application the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." SCE proposes this Application be designated as a

² Cal. Code Regs., Title 20, §6.

"ratesetting" proceeding.³ The need for hearings and the issues to be considered in such hearings will depend in large part on the degree to which other parties might contest SCE's requests. Assuming evidentiary hearings are necessary, SCE's proposed schedule is set forth below.⁴

Application filed	06/26/06
Prehearing Conference	08/24/06
ORA & Other Testimony	11/14/06
Rebuttal Testimony	11/29/06
Settlement Conference	12/11/06
Evidentiary Hearings start	12/18/06
Evidentiary Hearings end	12/21/06
Opening Briefs	01/09/07
Reply Briefs	01/26/07

C. <u>Legal Name And Correspondence – Rules 15(a) And 15(b)</u>

SCE is a public utility organized and existing under the laws of the State of California. The location of SCE's principal place of business is: 2244 Walnut Grove Avenue, Rosemead, California.

Correspondence or communications regarding this Application should be addressed to:

Sergey Trakhtenberg, Esq.

Southern California Edison Company

Post Office Box 800

2244 Walnut Grove Avenue Rosemead, California 91770

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Case Administration

Southern California Edison Company

Post Office Box 800

2244 Walnut Grove Avenue Rosemead, California 91770

Telephone: (626) 302-3124 Facsimile: (626) 302-3119

e-mail: case.admin@sce.com

D. <u>Articles Of Incorporation – Rule 16</u>

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and as presently in effect, certified by the California Secretary of State, was filed with the Commission

Rule 5(c) defines "ratesetting" proceedings as "proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities)."

SCE's proposed schedule is based on averaging the elapsed days in the adopted schedules from two previous CEMA applications, A.04-06-035, San Diego Gas & Electric Company's application for recovery of firestorm-related CEMA costs, and A.04-12-003, SCE's application for recovery of firestorm-related CEMA costs.

on March 14, 2006, in connection with Application No. 06-03-020. Application No. 06-03-020, filed March 14, 2006, regarding early approval of transfer of Anaheim's share of SONGS 2&3 to SCE, is by reference made a part hereof pursuant to Commission Rule 16.

E. <u>Index Of The Exhibits And Appendices To This Application –</u> Rule 23(g)

SCE's submissions in support of this Application include Exhibit SCE-1 entitled "Catastrophic Event Memorandum Account Testimony – 2005 Rainstorms", which is incorporated herein by reference.

F. Balance Sheet And Income Statement (Rule 23(a))

Appendix A to this Application contains copies of SCE's Balance Sheet as of March 31, 2006, and Income Statement for the period ended March 31, 2006, the most recent period available.

G. Statement Of Presently Effective Rates (Rule 23(b) and 23(c))

The percentage increase in SCE's total revenue is less than one percent. As discussed in Section III of this Application, SCE proposes (1) to include the balance recorded in the Rainstorm CEMA O&M Cost Subaccount and found reasonable in this proceeding in SCE's first consolidated ERRA rate change implemented subsequent to the issuance of a final Commission decision in this proceeding; and (2) to include the balance recorded in the Rainstorm CEMA Capital Cost Subaccount and found reasonable in this proceeding in SCE's first consolidated ERRA rate change implemented subsequent to receiving a 2009 GRC Phase 1 decision.

H. <u>Description Of SCE's Service Territory And Utility System</u> (Rule 23(d))

SCE's service territory is located throughout Central and Southern California, and includes approximately 200 incorporated communities as well as outlying rural territories. A list of the counties and municipalities served by SCE is attached hereto as Appendix B.

SCE is engaged in the business of generating, transmitting, and distributing electric energy in portions of Central and Southern California. In addition to its properties in California, SCE owns, in some cases jointly with others, facilities located in Nevada, Arizona, and New Mexico, its share of which produces electric energy for the use of its customers in California.

SCE owns and operates a diesel electric generating plant, 38 hydroelectric plants, and an undivided 75.05% interest in SONGS 2 & 3, all located in Central and Southern California. SCE also owns a 15.8% interest in Palo Verde Nuclear Generating Station Units Nos. 1, 2 & 3 located in Maricopa County, Arizona, and operated by another utility. In addition, SCE owns a 48% interest in Units 4 & 5 of a coal-fired steam electric generating plant in San Juan Country, New Mexico (Four Corners Project), which is operated by another utility. SCE also owns an undivided 56% interest in, and is the operating agent for, a two-unit, coal-fired electric generating plant in Clark County, Nevada (Mohave Project), which is temporarily shut down.

I. <u>Summary Of Earnings (Rules 23(e) and (f))</u>

A Summary of Earnings from SCE's 2006 General Rate Case is contained in Appendix C to this Application.

J. Depreciation (Rule 23(h))

Pursuant to Commission Order in Decision No. 49665, dated February 16, 1954, SCE has, since 1954, used straight-line remaining life depreciation for computing book depreciation expense for accounting and ratemaking purposes in connection with its operations. Pursuant to Commission Decision No. 59926, dated April 12, 1960, SCE uses accelerated depreciation for income tax purposes and "flow throughs" reductions in income tax to ratepayers within the Commission's jurisdiction for a property placed in service prior to 1981. Pursuant to Decision No. 93848 in Order Instituting Investigation (OII) No. 24, SCE uses the accelerated cost recovery system (ACRS) in determining depreciation for federal income tax purposes and "normalizes" the depreciation timing differences to ratepayers for property placed in service after 1980 in compliance with the Economic Recovery Tax Act of 1981. Pursuant to Decision No. 88-01-061, in OII No. 86-11-019, Phase II, SCE uses the modified accelerated cost recovery system (MACRS) in determining depreciation for federal income

tax purposes and, in compliance with the Tax Reform Act of 1986, continues to "normalize" depreciation timing differences to ratepayers for property placed in service after 1986.

K. Capital Stock And Proxy Statement (Rule 23 (i))

Certain classes and series of SCE's and Edison International's (SCE's parent company) capital stock are listed on a "National Securities Exchange" as defined in the Securities Exchange Act of 1934. Three copies of the latest joint proxy statement sent to shareholders by SCE and Edison International were filed with the Commission pursuant to General Order Nos. 65-A and 104-A, and in compliance with Ordering Paragraph No. 1 of Decision No. 88-01-063, Condition No. 5d, via letter of transmittal dated April 5, 2006.

L. Type Of Rate Change Requested (Rule 23(1))

Rule 23 (l) requires the applicant to state whether its request is limited to passing through to customers "only increased costs to the corporation for the services or commodities furnished by it." SCE's Application does include recovery of capital expenditures that would ultimately be added to SCE's authorized rate base and on which SCE would earn a rate of return. In that sense, SCE's request in this proceeding is not limited to passing through to customers "only increased costs to the corporation for the services or commodities furnished by it."

M. Notice And Service Of Application (Rule 24)

A list of the cities and counties affected by the rate changes resulting from this Application is attached as Appendix B. The State of California is also an SCE customer whose rates would be affected by the proposed revisions.

As provided in Rule 24, notice of filing of this Application will be: (1) mailed to the appropriate officials of the State and the counties and cities listed in Appendix B; (2) published in the newspaper of general circulation in each county in SCE's service territory within which the rate changes would be affected; and (3) included in the regular bills mailed to all customers affected by the proposed changes.

V.

CONCLUSION

SCE respectfully asks the Commission to issue a decision:

- (1) finding reasonable the \$10.939 million of O&M expenses recorded in SCE's Rainstorm CEMA O&M Cost Subaccount for the period January 1, 2005 through December 31, 2005;
- (2) authorizing transfer of the December 31, 2005 balance in the Rainstorm CEMA O&M Cost Subaccount, plus accrued interest through the date of a final Commission decision in this proceeding, to the Distribution Subaccount of the BRRBA for recovery in distribution rates;
- (3) finding reasonable the \$14.690 million of capital expenditures (which amount to \$11.730 million of capital additions) used as the basis for the revenue requirement recorded in SCE's Rainstorm CEMA Capital Cost Subaccount;
- (4) authorizing SCE to continue to record the monthly capital-related revenue requirement in the Rainstorm CEMA Capital Cost Subaccount based on the rainstorm capital additions found reasonable in this proceeding until the date of a final Commission decision in SCE's 2009 GRC Phase 1 proceeding;
- (5) authorizing SCE to transfer the recorded balance in the Rainstorm CEMA Capital Cost Subaccount, including interest, to the Distribution Subaccount of the BRRBA for recovery in distribution rates, upon a final 2009 GRC Phase 1 Commission decision;
- (6) rendering Findings of Fact and Conclusions of Law, and issuing orders consistent with SCE's request herein; and,

(7) granting such other relief as the Commission finds to be just and reasonable.

Respectfully submitted,

SOUTHERN CALIFORNIA EDISON COMPANY

/s/ Akbar Jazayeri

By: Akbar Jazayeri Vice President

JAMES M. LEHRER FRANK A. MCNULTY SERGEY TRAKHTENBERG

/s/ Sergey Trakhtenberg

By: Sergey Traktenberg

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June 26, 2006

Appendix A SCE'S INCOME STATEMENT AND BALANCE SHEET

SOUTHERN CALIFORNIA EDISON COMPANY

CONSOLIDATED STATEMENTS OF INCOME

Three	Months	Ended
1	March 3	1

		March 31,			
In millions	20	2006		2005	
		(Unaud	ited)		
Operating revenue	\$	2,217	\$	1,908	
Fuel		311		255	
Purchased power		1,013		388	
Provisions for regulatory adjustment clauses – net		(363)		65	
Other operation and maintenance		617		601	
Depreciation, decommissioning and amortization		253		222	
Property and other taxes		54		49	
Total operating expenses		1,885		1,580	
Operating income		332		328	
Interest and dividend income		15		9	
Other nonoperating income		27		18	
Interest expense – net of amounts capitalized		(97)		(103)	
Other nonoperating deductions		(11)		(7)	
Income before tax and minority interest		266		245	
Income tax		83		65	
Minority interest		50		48	
Net income		133		132	
Dividends on preferred and preference stock					
not subject to mandatory redemption		12		1	
Net income available for common stock	\$	121	\$	131	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three Months Ended March 31

		Marc	n 31,	
In millions	20	006	20	005
		(Unau	dited)	
Net income	\$	133	\$	132
Other comprehensive income, net of tax:				
Amortization of cash flow hedges		_		1
Comprehensive income	\$	133	\$	133

SOUTHERN CALIFORNIA EDISON COMPANY

CONSOLIDATED BALANCE SHEETS

In millions		rch 31, 2006	December 31, 2005		
		udited)			
ASSETS	(,			
Cash and equivalents	\$	142	\$	143	
Restricted cash		50		57	
Margin and collateral deposits		108		178	
Receivables, less allowances of \$32 and \$33					
for uncollectible accounts at respective dates		673		849	
Accrued unbilled revenue		274		291	
Inventory		230		220	
Trading and price risk management assets		29		237	
Regulatory assets		829		536	
Other current assets		74		92	
Total current assets		2,409		2,603	
Nonutility property – less accumulated provision					
for depreciation of \$585 and \$569 at respective dates		1,074		1,086	
Nuclear decommissioning trusts		2,984		2,907	
Other investments		84		80	
Total investments and other assets		4,142		4,073	
Utility plant, at original cost:					
Transmission and distribution		16,929		16,760	
Generation		1,443		1,370	
Accumulated provision for depreciation		(4,868)		(4,763)	
Construction work in progress		1,090		956	
Nuclear fuel, at amortized cost		153		146	
Total utility plant		14,747		14,469	
Regulatory assets		3,023		3,013	
Trading and price risk management assets		24		42	
Other long-term assets		498		503	
Total long-term assets		3,545		3,558	
Total assets	\$	24,843	\$	24,703	

CONSOLIDATED BALANCE SHEETS

In millions, except share amounts	March 31, 2006		December 31, 2005	
	(Unaudited)			
LIABILITIES AND SHAREHOLDERS' EQUITY				
Short-term debt	\$	188	\$	_
Long-term debt due within one year		246		596
Accounts payable		687		898
Accrued taxes		254		242
Accrued interest		96		106
Counterparty collateral		30		183
Customer deposits		184		183
Book overdrafts		182		257
Accumulated deferred income taxes – net		168		5
Trading and price risk management liabilities		155		87
Regulatory liabilities		505		681
Other current liabilities		683		723
Total current liabilities		3,378		3,961
Long-term debt		5,107		4,669
Accumulated deferred income taxes – net		2,796		2,815
Accumulated deferred investment tax credits		117		119
Customer advances and other deferred credits		553		550
Trading and price risk management liabilities		118		101
Power-purchase contracts		55		64
Accumulated provision for pensions and benefits		527		500
Asset retirement obligations		2,641		2,621
Regulatory liabilities		3,009		2,962
Other long-term liabilities		280		284
Total deferred credits and other liabilities		10,096		10,016
Total liabilities		18,581		18,646
Commitments and contingencies (Notes 3 and 4)				
Minority interest		367		398
Common stock, no par value (434,888,104 shares outstanding at each date)		2,168		2,168
Additional paid-in capital		350		361
Accumulated other comprehensive loss		(16)		(16)
Retained earnings		2,464		2,417
Total common shareholder's equity		4,966		4,930
Preferred and preference stock				
not subject to mandatory redemption		929		729
Total shareholders' equity		5,895		5,659
Total liabilities and shareholders' equity	\$	24,843	\$	24,703

Appendix B

LIST OF COUNTIES AND MUNICIPALITIES SERVED BY SCE

COUNTIES					
Fresno	Kings	Orange	Tuolumne*		
Imperial	Los Angeles	Riverside	Tulare		
Inyo	Madera	San Bernardino	Ventura		
Kern	Mono	Santa Barbara			
	M	UNICIPAL CORPOR	RATIONS		
Adelanto	Cudahy	La Habra	Ojai	Santa Monica	
Agoura Hills	Culver City	La Habra Heights	Ontario	Santa Paula	
Alhambra	Cypress	La Mirada	Orange	Seal Beach	
Aliso Viejo	Delano	La Palma	Oxnard	Sierra Madre	
Apple Valley	Desert Hot Springs	La Puente	Palm Desert	Signal Hill	
Arcadia	Diamond Bar	La Verne	Palm Springs	Simi Valley	
Artesia	Downey	Laguna Beach	Palmdale	South El Monte	
Avalon	Duarte	Laguna Hills	Palos Verdes Estates	South Gate	
Baldwin Park	El Monte	Laguna Niguel	Paramount	South Pasadena	
Barstow	El Segundo	Laguna Woods	Perris	Stanton	
Beaumont	Exeter	Lake Elsinore	Pico Rivera	Tehachapi	
Bell	Farmersville	Lake Forest	Placentia	Temecula	
Bell Gardens	Fillmore	Lakewood	Pomona	Temple City	
Bellflower	Fontana	Lancaster	Port Hueneme	Thousand Oaks	
Beverly Hills	Fountain Valley	Lawndale	Porterville	Torrance	
Bishop	Fullerton	Lindsay	Rancho Cucamonga	Tulare	
Blythe	Garden Grove	Loma Linda	Rancho Mirage	Tustin	
Bradbury	Gardena	Lomita	Rancho Palos Verdes	Twentynine Palms	
Brea	Glendora	Long Beach	Rancho Santa Margarita	Upland	
Buena Park	Goleta	Los Alamitos	Redlands	Victorville	
Calabasas	Grand Terrace	Lynwood	Redondo beach	Villa Park	
California City	Hanford	Malibu	Rialto	Visalia	
Calimesa	Hawaiian Gardens	Mammoth Lakes	Ridgecrest	Walnut	
Camarillo	Hawthorne	Manhattan Beach	Rolling Hills	West Covina	
Canyon Lake	Hemet	Maywood	Rolling Hills Estates	West Hollywood	
Carpinteria	Hermosa Beach	McFarland	Rosemead	West Honywood Westlake Village	
Carson	Hesperia Hesperia	Mission Viejo	San Bernardino	Westminster	
Cathedral City	Hidden hills	Monrovia	San Buenaventura	Whittier	
Cerritos	Highland	Montclair	San Dimas	Woodlake	
Chino	Huntington Beach	Montebello	San Fernando	Yorba Linda	
Chino Hills	Huntington Park	Monterey Park	San Gabriel	Yucaipa	
Claremont	Indian Wells	Moorpark	San Jacinto	Yucca Valley	
Commerce	Industry	Moreno Valley	San Marino	1 deca variey	
Compton	Inglewood	Murrieta	Santa Ana		
Corona	Irvine	Newport Beach	Santa Ana Santa Barbara		
Costa Mesa	Irwindale	Norco	Santa Barbara Santa Clarita		
Covina	La Canada Flintridge	Norwalk	Santa Ciarita Santa Fe Springs		
Covilla	La Canada Finididge	1 VOI Walk	Banta re springs	L	

^{*}SCE provides electric service to a small number of customer accounts in Tuolumne County and is not subject to franchise requirements.

Appendix C SUMMARY OF EARNINGS

Southern California Edison Summary of Earnings 2006 GRC-Related Adopted Revenue Requirement With Two Refueling & Maintenance Outages Thousands of Dollars

Line		
No.	Item	Total
1.	Base Revenues	3,749,292
2.	Expenses:	
3.	Operation & Maintenance	1,788,462
4.	Depreciation	793,083
5.	Taxes	527,300
6.	Revenue Credits	(158,770)
7.	Total Expenses	2,950,075
8.	Net Operating Revenue	799,217
9.	Rate Base	9,112,944
10.	Rate of Return	8.77%
. 0.	nato oi notain	0.1170

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR AUTHORIZATION TO RECOVER COSTS INCURRED IN 2005 AND RECORDED IN THE RAINSTORM CATASTROPHIC EVENT MEMORANDUM ACCOUNT on all parties identified on the attached service list(s). Service was effected by one or more means indicated below: Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated. Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s). П Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties. П Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this 26th day of June, 2006, at Rosemead, California.

/s/ Nicole M. Broadwater

Nicole Broadwater
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue Post Office Box 800 Rosemead, California 91770

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The contents of this Application are true of my own knowledge, except as to matters that are stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 26th day of June, 2006, at Rosemead, California.

/s/ Akbar Jazayeri

Akbar Jazayeri Vice President SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue **Post Office Box 800** Rosemead, California 91770

Service list for A..05-12-018 and A.04-12-003

nao@cpuc.ca.gov
awp@cpuc.ca.gov
mzafar@semprautilities.com
dug@cpuc.ca.gov
lbrowy@semprautilities.com
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marcel@turn.org
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